WASTE NOT, WANT NOT

WILL SOURING RUSSIAN-TURKISH RELATIONS BE A BOON FOR GEORGIA?

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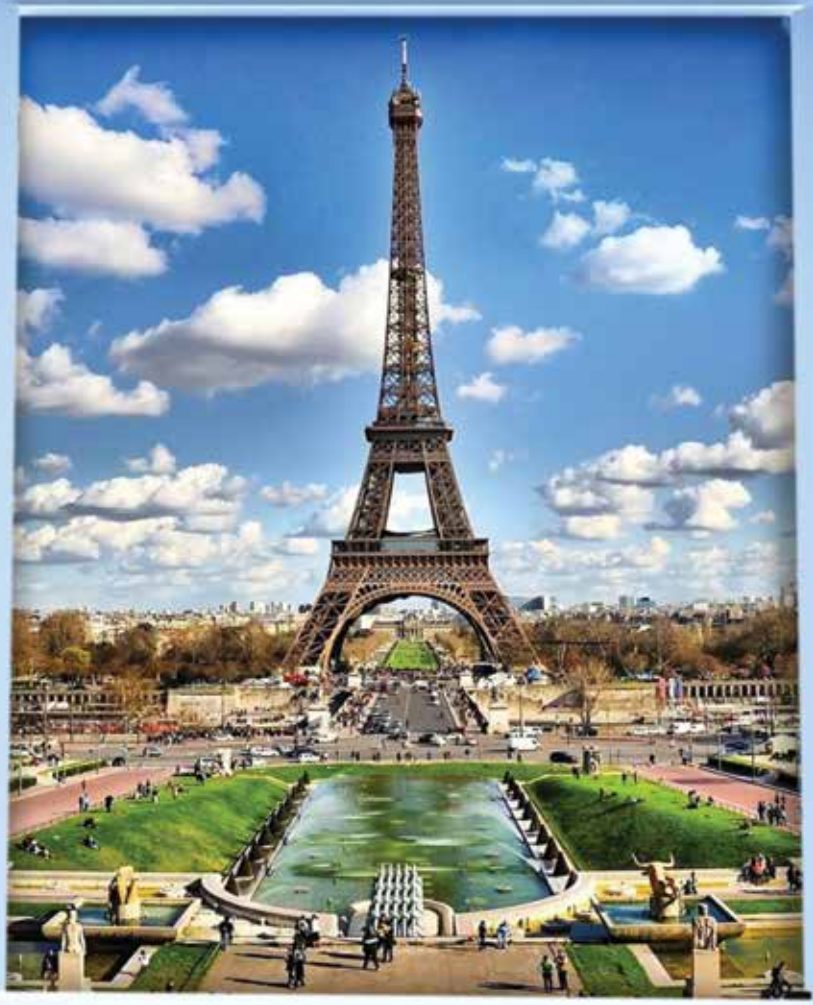

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Georgia's Ticket to Europe

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WASTE NOT, WANT NOT

THERE IS A NEW EFFORT TO CLEAN UP ILLEGAL DUMPS AND CREATE MODERN WASTE MANAGEMENT IN GEORGIA, THE WASTE MANAGEMENT TECHNOLOGIES IN REGIONS (WMTR) PROJECT. INVESTOR.GE SPOKE WITH RUSUDAN GORKHELASHVILI, THE COMMUNICATION AND OUTREACH TEAM MANAGER FOR THE PROJECT, ABOUT HOW THEIR WORK WILL HELP CLEAN UP THE COUNTRYSIDE AND PUSH FOR MORE SUSTAINABLE RECYCLING.

AN EXPENSIVE PROBLEM

Illegal landfills in Georgia are a very extensive problem due to the country's socio-economic condition, Rusudan Gorkhelashvili said.

"In the regions, funds allocated to waste management are very limited. Waste management—collection, transportation, disposal or recycling, and monitoring of waste—is not a cheap service," she said, adding that while the situation has improved in Tbilisi, it is still a problem outside the capital.

"Illegal dumping exists because, when there's no infrastructure, i.e. waste bins, and when waste is not collected, people have no choice other than creating spontaneous illegal dumpsites or burning their waste in their backyards."

Gorkhelashvili is the communications and outreach team manager for the four-year Waste Management Technologies in Regions (WMTR) program, financed by USAID and supported by the Caucasus Environmental NGO Network.

The program focuses on helping Georgia improve its waste management and recycling programs.

Gorkhelashvili said there have been improvements over the years, and the trend is being reinforced by Georgia's obligations under the EU-Georgia Association Agreement.

Part of that trend is the new Waste Management Code, which entered into force in 2015, she said. The new code obligates municipalities to develop plans for municipal waste management. It also introduces fines for littering and illegal dumping.

To date, the WMTR has cleared three "spontaneous" dumpsites in Adjara and four in Kakheti, the program's focus areas. It has also planted 380 trees at illegal dumpsites in the two regions.

The WMTR program has been working closely with the Ministry of Environment and Georgia's Solid Waste Management Company, she added, to create international-standard regulations on building, operating and closing landfills.

Gorkhelashvili noted that the program's objectives are based on reducing waste so there is less to go to landfills.

REDUCE, REUSE, RECYCLE

Promoting recycling is an important part of the program.

"Unfortunately, there are no recycling centers in Tbilisi where people can take their recyclable waste; there are only campaigns, from time to time, carried out by book stores," she said, adding that CENN also has a recycling campaign, the Green Office Campaign.

"What makes the recycling sector very difficult to develop is the absence of systemic waste separation, and so businesses need to find sources of recyclable waste based on private arrangements either with institutions or landfills," she said, noting that mixed waste is not good for recycling.

"It is very hard to say how profitable recycling is, or could be in Georgia. For this, we need accurate figures for waste production in the country. However, it should be noted that there are small/medium-sized companies that operate in the waste-recycling sector in Georgia and are profitable."

The WMTR program has developed an association of different-sized companies involved in waste management in Georgia, and is working with them to promote integrated waste management principles at central and local levels to support them in their operation, Gorkhelashvili noted.

YOUTH – AGENTS FOR CHANGE

The WMTR program is also working closely with the youth to educate them about recycling.

"The program's most important target audience is youth, in terms of raising awareness on integrated waste management—Reduce, Reuse, Repurpose, Recycle—principles," she said.

The youth outreach also includes activities gear to engage children at school and in the summer.

"We work with school students through competitions on waste-related issues, seminars, open classes, workshops, training, as well as eco-camps, which are one of our most important activities for raising awareness and education," she explained.

"The youth, who are agents of change, are the primary target of our project."

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EU VISA Liberalization: Georgia's Ticket

DECEMBER 18 WAS A BIG DAY FOR GEORGIA: THE EUROPEAN UNION REAFFIRMED ITS COMMITMENT TO GEORGIA AND UKRAINE BY CONFIRMING THEIR INTENTION TO GRANT CITIZENS THE RIGHT TO OBTAIN VISAS FOR SHORT-TERM BUSINESS, TOURIST OR FAMILY TRIPS. BLOOMBERG'S HELENA BEDWELL SPEAKS WITH PRODUCERS, ECONOMISTS AND GOVERNMENT OFFICIALS ABOUT WHAT BRUSSELS' VISA-FREE REGIME COULD MEAN FOR THE GEORGIAN ECONOMY.

HELENA BEDWELL

Georgia lacks common borders with the EU. But the new visa-free regime Brussels plans to grant the country, together with the 2014 free trade agreement, could help Georgia build new bridges and bolster increasing trade relations.

BREAKING AWAY FROM THE RUSSIAN MARKET

For Russian market has traditionally been the main focus for Georgian producers.

Trade between the two countries dwindled following Moscow's 2006 trade embargo, although the Russian market has slowly opened up to Georgian producers since 2012.

The breakthrough in trade relations with Russiah as been a welcoming bolster for Georgian trade. But it has come with fears that the Georgian economy could once again grow dependent on Moscow.

Pundits hope, however, that the new benefits from EU's visa-free regime and the Deep and Comprehensive Free Trade Agreement (DCFTA) will help Georgia build stronger trade relations outside of Russia and the former Soviet Union.

Roman Gotsiridze, an expert and former central banker of Georgia, believes the wider EU market will give Georgia more opportunities to grow and start mass production.The most important benefits of all, he noted, could be the visa-free regime's power to end the illegal immigration of Georgians abroad and kick-start affordable tourism.

INTERNATIONAL MARKETING FOR GEORGIA'S FAMOUS CUISINE

In the first six months of the Georgia-EU trade agreement, Georgian exports of fruit juices to the EU more than tripled, according to a DCFTA fact sheet.

Under the free trade agreement, Georgia has started exporting some products to the EU that it did not export to it before, such as acyclic alcohols and synthetic filament yarns.

Georgia's Ministry of Agriculture, which has a significant role as a connecting bridge to the ▸▸

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EU market, was asked whether any fluctuations have been detected in trade numbers.

"The EU market is not a virtual reality for us anymore; as much as 35% of total trade is with the EU market right now, an increase as compared to previous years," Levin Davitashvili, the Deputy Minister of Agriculture, said in an interview in Tbilisi in December. "Hazelnuts, spirits, wine, and mineral waters reign in trade at this moment."

Pundits hope, however, that the new benefits from EU's visa-free regime and the Deep and Comprehensive Free Trade Agreement (DCFTA) will help Georgia build stronger trade relations outside of Russia and the former Soviet Union.

The authorities also predict a bright future for other products, aside from the traditional frontrunners. These include juices, berries, kiwis, and newly grown exotic fruits, for which Georgia has perfect soil sand climate. Challenges, such as packaging, quality control, and rules to satisfy the EU market are being worked on intensively along with the local farmers, Davitashvili added.

Davitashvili sees more room for growth of markets for Georgian organic products, like supplying kiwis to Germany, and blueberries grown all-naturally, while he is less optimistic that he will see Georgia supplying such markets right away. "We don't have any other barriers, but not having a critical mass of agricultural production right now, everything is sold very fast."

There are already success stories, like the company SOPROSS AG, which has been based in France for two years and imports premium-class Georgian products to France and Monaco. Created by the Sopromadze family, it offers the French market of 80 million sauces, juices and other 25 other types of products that have already established a reputation in France.

Khatuna Sopromadze, a co-founder of the company, tells me that at first it was very difficult to establish local contacts and build consumer trust. She added that Georgian producers were equally hard to deal with. In the end, however, success came: today legendary places like the Café de Paris Monaco, Hotel de Paris Monaco, Salle Empire, Monaco Hotel Hermitage and its Salle Belle Epoque, Fairmont Monte Carlo, and Monte-Carlo Bay Hotel & Resort offers Georgian products.

"We began by introducing Georgia and its culture to our potential customers so they could see just how much love and warmth is put toward making these products,"she said. "We have managed to make them love Georgian products; we are very proud that we achieved something like this."

Georgian tea is also being exported to the EU market.

In the first six months of the Georgia-EU trade agreement, Georgian exports of fruit juices to the EU more than tripled, according to a DCFTA fact sheet.

"Any market, including the Russian market, is great for traders and businesspeople and is interesting and profitable," noted Mikheil Chkuaseli, the CEO of Geoplan, is largest producer of Georgian tea.

"But I believe that sales should be diversified and never be dependent on one particular market, Risks are high with Russia, including political risks. Also, if we totally concentrate on Russia, we won't have enough for other markets."

REASSURING INTERNATIONAL INVESTORS

The Director of Georgia's National Investment Agency, Giorgi Pertaia, said EU visa liberalization will also pave the way for more foreign investors in Georgia.

He noted that it will help foreign businesses perceive Georgia as a stable, successful, Western-oriented country. In an interview right before the EU visa liberalization announcement was made, Pertaia noted that Brussels' decision to grant Georgia a visa-free regime would reassure the country's partners that Georgia is a reliable partner.

Vato Lejava, the Chancellor of the Free University of Tbilisi, agreed, noting that by reducing travel restrictions for Georgians, Brussels has made it easier for entrepreneurs to make contacts and build business relations in the EU market.

"You have heard stories when foreigners come to Georgia, decided to stay here and begin businesses, whatever that is, making wine, planting fruits or vegetables or just launching a guesthouse." Lejava said in an interview in Tbilisi. "The same logic can apply to visa liberalization. People will have great opportunities to socialize with each other and make business decisions. Georgia is part of the...Western world"

WILL SOURING RUSSIAN-TURKISH RELATIONS BE A BOON FOR GEORGIA?

RUSSIA ANNOUNCED SANCTIONS AGAINST TURKEY IN NOVEMBER, AND CALLED ON ITS CITIZENS NOT TO VISIT TURKISH RESORTS AFTER THE TURKISH MILITARY SHOT DOWN A RUSSIAN JET. INVESTOR. GE SPOKE TO GEORGIAN GOVERNMENT OFFICIALS AND ECONOMISTS TO SEE IF THE GEORGIAN ECONOMY COULD BENEFIT FROM THE CRISIS.

NINO BAKRADZE

More tourists, more trade, more problems for the Georgian economy? There are a lot of questions about what increased tensions between former allies Russia and Turkey could mean for Georgia.

Economists are divided over any potential positive impact for the Georgian economy, while government officials and tour operators are scrambling to attract as many Russian tourists as possible.

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"CATCHING" RUSSIAN TOURISTS

The Georgian government should work quickly and get as many advantages from the situation as it can, according to Lasha Lanchava, a researcher at the Policy Institute at the International School of Economics at Tbilisi State University (ISET).

Economists are divided over any potential positive impact for the Georgian economy, while government officials and tour operators are scrambling to attract as many Russian tourists as possible.

"One average Russian tourist spends approximately $1,000 per tour. About 7 million tourists previously visited Turkey and Egypt each year from Russia. If we will catch 1 or 2 million tourists from this amount additionally next year, it would be a positive shock to our economy," he said.

"We have some advantages: we are geographically closer, our prices are lower and the Georgian brand is well known in Russia. But the government and private sector should work quickly now, as the Israeli government is doing. They have already started negotiations with Russian tourist agencies, air companies and to run an information campaign there."

The Georgian government is already working to attract as many Russian tourists as possible, according to the Georgian National Tourism Administration (GNTA).

GNTA told *Investor.ge* that it started negotiations with Russian tourism agencies after Russian-Turkish relations soured.

Giorgi Chogovadze, the head of GNTA, says they expect Georgia to have over 108,000 additional Russian tourists this year.

"We want to run an active marketing campaign in the Russian market to attract more tourists. We plan to organize press and familiarization tours for Russian journalists and tourist agencies in 2016, as well as make TV advertisements and programs about Georgia's tourism potential. We are conducting negotiations with particular airline companies to start charter flights from Russia to Georgia," he said.

Georgian tourism agencies are also working to attract more Russian tourists.

Over 866,000 Russian tourists visited Georgia in 2015 -- 14% more than in 2014, according to GNTA's statistics.

Caucasus Travel brought 400 Russian tourists to Georgia last year. The company's deputy director, Gvantsa Razmadze, told *Investor.ge* that they are gearing up to engage with the Russian market even more intensely this year.

"The Georgian tourism industry is preparing to receive more tourists from Russia and to host them. We are going to activate our online marketing and information campaign in this direction. There is a chance to plan familiarization tours for Russian tour agencies," Razmadze said.

Over 866,000 Russian tourists visited Georgia in 2015, which is 14% more than in 2014, according to GNTA's statistics.

Russian tour operators also appear to be optimistic about Georgia as an alternative destination: the Omsk region website reported that managers of Russian tourism companies are recommending consumers visit Batumi instead of Abu-Dhabi.

"EXAGGERATED" EXPECTATIONS

But some economists, like the Chancellor of the Free University of Tbilisi, Vato Lezhava, are doubtful that Russian tourists will flock to Georgia, however.

"The belief that we can catch Russian tourists who will not visit Turkey next year is exaggerated. Why would they not go to Greece, which has a good relationship with Russia and lower prices due to their financial crisis? Greece has enough resources to host this many tourists and we do not," he said.

EXPORT OPPORTUNITIES?

In addition to tourism, there is an expectation that Russian-Turkish tensions could bolster Georgians exports.

Lanchava noted how trout exports noticeably increased after Russian banned some goods from the EU. "As we found out during our research, trout is imported into Georgia from EU countries, like Norway, then they repackage it and export to Russia. The same might will happen now, since Turkey exports fruits and vegetables to Russia," he said.

"Our government should study the Russian market very carefully, start negotiations to get some quota and then attract foreign investments or support local farmers to produce more goods."

But Lezhava warns that while some individual business owners might benefit from the Russian sanctions against Turkey, in general the heightened tension in the region is bad for the Georgian economy.

"Above all, trading requires peace," he said.

"Nothing will be done without peace in our region."

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Bakuriani, Georgia

Winter in Georgia: Where to go with skis – or without

INVESTOR.GE HAS COMPLIED BASIC INFORMATION ABOUT GEORGIA'S FOUR MAIN SKIING DESTINATIONS – AND SOME GREAT SITES FOR DAY TRIPS ON THE WEEKENDS IF YOU NEED A BREAK FROM THE SLOPES.

GEORGIA'S NEWEST SKI RESORT

Adjara, a western Georgian province famous for its rocky Black Sea beaches and signature khachapuri, is now the country's newest ski destination.

Goderdzi offers 13 kilometers of ski runs from December through mid-April. A pass for the resort's two gondolas are $8.30, according to the now.ge website.

The website warns, however, that accommodations are scarce, so it is best to plan ahead. There is one hotel and a handful of cottages on site.

Goderdzi is 100 kilometers from the Batumi airport, 242 kilometers from the Kutaisi airport and 450 kilometers from the Tbilisi airport, according to the website.

A UNESCO SKI VACATION

There are two ski resorts in Georgia's mountainous region of Svaneti – Hatsvali and Tetnuldi – both near the town of Mestia.

Skiing in Svaneti is a cultural experience, mixing new ski runs with the province's ancient stone towers and breathtaking mountain views.

The Hatsvali resort has six kilometers of ski runs, a mix of red and blue trails. There are two lifts – one T-bar and one chair lift, and a daily pass costs $9. Skiing is possible from mid-December to mid-April.

The Tetnuldi resort is scheduled to open with bigger and better runs this ski season. The resort will reportedly have six lifts and 25 kilometers of ski runs for the 2016 ski season, which runs to mid-May.

A daily pass is $9.

Accommodations for both resorts can be found in nearby Mestia, where there are some small hotels and guesthouses. It is best to book in advance.

Mestia is 256 kilometers from the Batumi airport, 240 kilometers from the Kutaisi airport, and 430 kilometers from the Tbilisi airport.

There are some charter flights from Tbilisi to the Mestia airport; please check with the airport or local travel agencies for up-to-date information on flight dates and costs. There is also a regularly running train from Tbilisi to Zugdidi, a town 130 kilometers from Mestia. Private *marshrutka* mini-buses and taxis are available from Zugdidi to Mestia, depending on the weather and road conditions.

WEEKEND SKI DESTINATION

Gudauri ski resort, just 130 kilometers from Tbilisi, is a popular weekend trip from the capital.

There are 57 kilometers of ski runs, a mix of blue, red and black trails. There are several ski lifts – one T-bar; five chair lifts and one gondola – and a day pass costs $18.

There are accommodations near the resort, mainly small hotels, but it is strongly recommended to book in advance, especially on weekends, when the resort is the most crowded. The resort is open for skiing from mid-December to mid-April.

Gudauri is 130 kilometers from Tbilisi and 310 kilometers from Kutaisi.

GEORGIA'S FAMILY SKI RESORT

Bakuriani is a village-turned-ski resort from December to April.

Skiing in Svaneti is a cultural experience, mixing new ski runs with the province's ancient stone towers and breathtaking mountain views.

Its 16 kilometers of ski runs accommodate the full range of skiers, from newbie to expert, although there are far more trails for beginners. The nearby Didveli ski resort offers some of the more challenging runs. Be forewarned, however, that the gondolas close on days with high winds.

A daily pass costs $12 for the resort's T-bars, lift chairs and gondola.

Bakuriani is famous in Georgia for its non-ski activities: there is a large park for children, horseback riding, sledding and snowmobiles.

The resort is 220 kilometers from Tbilisi and 190 kilometers from Kutaisi.

DESTINATIONS FOR NON-SKI WEEKENDS

Once you have perfected your ski tan and your mogul jumping, Georgia still has plenty to offer.

Rabati Fortress in Samtskhe-Javakheti is a year-round destination. Located in the town of Akhaltsikhe, 207 kilometers from Tbilisi, the Rabati complex includes the remains of a 14th century castle and an 18th century mosque.

The complex itself reportedly dates back to the 13th century, when it was known as Lomisa Castle. It survived attacks by Tamerlane and the Mongols. From 1590 to 1829, the fortress – as well as the rest of Akhaltsikhe and the surrounding region – was part of the Ottoman Empire.

A museum on site reportedly includes 25,000 artifacts, including manuscripts and parchments dating back to the 11th century, as well as many other items of historical significance.

Closer to Tbilisi, the ancient remains of Uplistsikhe caves and fortress are well worth seeing.

Uplistsikhe, which means "Fortress of the Lord," played an important role in Georgia's ancient past, and the site was active as late as the Middle Ages. It is thought to be the oldest urban settlement in Georgia, and archeologists have found the remains of ancient temples and indications that a sun goddess was worshipped there.

Artifacts dating back to the late Bronze Age have also been found on the site, according to the ancient-orgins.net website.

Uplistsikhe is located about 15 kilometers east of the city of Gori and 80 kilometers from Tbilisi.

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GEORGIA DEVELOPING NEW INCENTIVES TO ATTRACT FOREIGN FILM COMPANIES

Georgia's Soviet architecture served as a backdrop for the 2015 thriller Partisan, starring Vincent Cassel

A NEW COMPONENT, SHOOT IN GEORGIA, IS BEING ADDED TO THE GOVERNMENT'S PRODUCE IN GEORGIA PROGRAM THIS YEAR. THE ECONOMY MINISTRY IS BETTING ON FINANCIAL AND TECHNICAL ASSISTANCE TO BRING MORE FILM SHOOTS TO GEORGIA. INVESTOR.GE SPOKE WITH DEPUTY ECONOMY MINISTER KETEVANBOCHORISHVILI ABOUT THE PROGRAM.

The idea to make Georgia a magnet for international film producers is not entirely new. Foreign film directors have been exploring Georgia as an inexpensive but attractive location. The country's low-level of bureaucracy, diverse environment and climate – as well as its rich culture – have also added to its appeal.

Annette Bening

MAIA EDILASHVILI

The Ministry of Economy's program focuses on film producers in France, Germany, India and the U.S., according to Deputy Economy Minister Ketevan Bochorishvili.

Bochorishvili is part of a team that is actively reaching out to producers.

"Throughout the first half of 2016, we will meet foreign producers and attempt to interest them through road shows and presentations. Our expectation is that in the second half of 2016 we will have at least three foreign movies produced in Georgia," Bochorishvili told *Investor.ge* in an e-mailed interview.

The program, part of the Ministry's Enterprise Georgia initiative, which also involves the Ministry of Culture and the Georgian National Film Center, includes a package of financial and tax initiatives for production companies that opt for Georgia.

TWENTY-PERCENT CASH REBATE

The plan offers a cash rebate system that returns 20% of production costs to producers, according to the program's webpage.

The Ministry of Economy and the Embassy of the U.S. in Georgia jointly hosted Mary Ann Hughes, Vice President at the Walt Disney Company, and Joe Chianese, Executive Vice President of Entertainment Partners (EP), in Georgia in September.

While in Georgia, Hughes and Chianese advised the Ministry on developing legislation and incentives to help the movie industry – and, in turn, the Georgian economy.

The Georgian government and the U.S.Embassy are now working to follow up on their visit by bringing Disney and other American film production companies back to Georgia.

Bochorishvili said that Hughes and Chianese "expressed interest to cooperate and to support the Shoot in Georgia initiative. Following their advice, we have started to prepare a look book, bringing together all key Georgian locations."

"We are in a process to draft our action plan and will announce specific news as we move on," the deputy minister added.

MORE FOREIGN MOVIES WITH GEORGIAN SETTINGS

The idea to make Georgia a magnet for international film producers is not entirely new. Foreign film directors have been exploring Georgia as an inexpensive but attractive location. The country's low level of bureaucracy, diverse environment and climate – as well as its rich culture – have also added to its appeal.

Russian-American filmmaker and video artist Julia Loktev was charmed by Georgia's "very unique-looking" landscapes, making them almost a main character in her 2011 movie, "The Loneliest Planet." BidzinaGujabidze, along with Mexican actor Gael Garcia Bernal and Israeli-American actress Hani Funtenberg, star in the film. A story of an engaged couple's camping expedition in the Caucasus Mountains was described by *Interview* magazineas a film "largely silent, but loaded with nuance."*Interview* also described the film's Georgian landscapes as "overwhelmingly beautiful."

Loktev was quoted as saying: "I was very picky about the kind of landscape that the film would have, because the

landscape is almost like music in the film. It sets, completely, the mood of the film. I didn't want something that was rocky, that was arid. I also didn't want trees. These mountains are huge and green and open; they just seemed so right for the story."

Michel Hazanavicius was charmed by Georgia's Soviet-era apartment blocks, which were the backdrop for his 2014 film "The Search," starring Annette Bening as a French-born, Chechnya-based NGO worker.

The country's Soviet architecture also attracted Australian-born director Ariel Kleiman for his 2015 thriller "Partisan," which starred Vincent Cassel.

ENTER BOLLYWOOD

India's immense movie industry has also eyed Georgian landscapes. In 2011, Chakri Toleti directed "Billa II," an Indian thriller, and chose Georgia as one of the film's locations.

Another Bollywood romance, "Ishqedarriyaan," was shot entirely in Georgia and features Kvareli Lake, Alazani Valley and Tbilisi streets– includingthe former Parliament building, the Bridge of Peace and Hero's Square. According to a Rustavi 2 TV report, 40 percent of the film's $400,000 was spent in Georgia.

EXPORTING GEORGIA

Over the last three years, Indian-filmmakers have made three movies in Georgia, two music videos and five advertising videos, spending 7,000,000 lari ($2.93 million) and employing over 800 people, Bochorishvili said.

"The arrival of international movie companies helps create jobs for locals, improves their qualifications, promotes the country's image and pushes those fields ahead, which is important for creating a high quality film," Bochorishvili said. The Indian productions have brought images of Dartlo in Tusheti, the Vardzia cave complex in Samtskhe-Javakheti, the streets of Tbilisi, Rustavi and Borjomi–as well as national folk songs and dancing –to Indian audiences.

Currently, Georgia's movie industry brings in 3,000,000 lari(approximately $1.25 million) in revenues yearly and the goal is to double this amount, Bochorishvili said.

"The availability of local resources, both human and technical, has to be taken into account. Now, with existing resources, we can work on a maximum of that the demand is rising, we will support the industry and increase ourcapacity," she told *Investor.ge*.

"Also, we would welcome projects mentioning in their plots that Georgia is the filming venue. In this case, we will provide additional incentives," she added.

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A New Central Park for Tbilisi

The plan chosen by the Tbilisi Mayor's Office to redevelop the area destroyed by the 2015 flood envisions a 20,000 square meter educational center, a sports complex, a park, bike paths and pedestrian parkways.

The education center will include a library and conference halls, and "green bridges" will connect Mziuri Park with the territory that is currently the zoo, according to the winning proposal.

The zoo will be moved to the Tbilisi Sea suburbs, and the space it currently occupies will be included in the park.

The proposal also includes plans to limit traffic on the highway that runs through the gorge to public transportation.

Mikheil Baliashvili, the director of Architectural Bureau, the company behind the winning proposal, said the final concept will be submitted to mayor's office in February, and City Hall will hold a tender for engineering details after that.

Chairman of the Architects' Union David Abuladze supported the idea of restricting traffic on the highway. "This is a good initiation! At the first stage the main highway will serve as a parkway for city and private transport, and in the final variant only public electric transport, which will serve the people using the recreational zone, will utilize it," he said.

Building The Future:
An Overview Of Major New Projects Planned In Tbilisi

THE TBILISI HORIZON IS CONSTANTLY CHANGING, AND WITH MORE MAJOR PROJECTS UNDERWAY – FROM THE GEORGIAN CO-INVESTMENT FUND'S PANORAMA AND AXIS TOWERS DEVELOPMENTS TO THE TBILISI CITY PROJECT AND THE PLANS FOR A NEW PARK AND RECREATIONAL AREA ON THE SITE OF THE 2015 FLOOD – THE SKYLINE OF GEORGIA'S CAPITAL COULD LOOK QUITE A BIT DIFFERENT IN A FEW YEARS. INVESTOR.GE SPOKE WITH DEVELOPERS AND SPECIALISTS ABOUT THEIR PLANS AND THE DEMAND FOR TBILISI REAL ESTATE.

LIKA JORJOLIANI

Forty-one story skyscrapers and multi-million dollar developments. It is hard to miss the building boom in Tbilisi – or the new trend for developers to focus on large, multi-functional projects rather than apartment blocks. New apartment and office complexes are going up in nearly every district of the capital, and even more are rumored to be starting in the suburbs.

GEORGIA'S TWIN TOWERS

"According to the Georgian Co-Investment Fund website, once they are completed in 2017, the double, 147-meter, 41-story skyscrapers planned for Vake will be the highest buildings in Tbilisi.

An $83 million project, the Axis Towers will include a five-star hotel operated by the high-class French international brand Pullman in the glass tower, as well as an A-class business center. The stone town will house 15,000 square meters of apartments, according to the website.

The Georgian Co-Investment Fund is also working on a major project on the other side of Tbilisi, the $500 million Panorama Tbilisi project. This development, which has inspired protests, includes four hotels in Tbilisi's historic Sololaki and Freedom Square neighborhoods. There are also plans for a massive parking garage and the the project's developer reportedly intends to plant 30,000 new trees, according to Georgian Journal.

€130 MILLION GREEN VALLEY CITY

The UAE-based Green Valley International Real Estate Group is reportedly planning to invest $136 million in an 88,000 square meter development in Tbilisi, according to Arabianbusiness.com.

The company did not respond to requests from *Investor.ge* for comment. A Green Valley press release, however, noted that the development will include 10 buildings made up of 510 units – studios, one-bedroom and two-bedroom apartments – and a private district with luxury villas.

NEW PROJECTS IN SABURTALO, THE RIGHT BANK

Business Group Valencia, together with ARCHI Group, is developing "Tbilisi City," an approximately 200,000-square-meter project in Saburtalo. There are also plans for the construction of a four-story commercial center, with an entrance directly from the metro station.

The center will be constructed at the intersection of Pekin and Saburtalo streets, according to the current plan, noted Business Group Valencia's Zurab Agladze.

The $100 million project is still in the early stages of development, however: an environmental impact study is still being prepared, and talks are underway with residents who would be affected by the new complex.

The Azerbaijani AS Group Investment started construction of the Dirsi complex in 2012. The $150 million investment is already built, according to the head of marketing and sales, Keti Adeishvili.

"Our company is an innovator in complex construction," she said.

"It is very difficult to determine the economic and political factors that are sensitive for the real estate market in advance. … We implemented preliminary investments equal to $150 million in the development of the [Dirsi complex's] infrastructure. Within two years we completed construction and started active sales," she explained.

366 PROJECTS

There were 366 residential developments underway in Tbilisi in the first quarter of 2015, according to a 2015 Colliers report on Tbilisi's residential real estate market.

Large-scale developers, Colliers reported, made up 17 percent of the projects under development.

While overall sales were down in the first quarter of 2015 compared to the same period last year, demand was strong for small apartments in general and luxury apartments in Vake, the report noted.

"The vast majority of demand distribution occurred in the Saburtalo District, with 25% of the total transactions. The largest share of transactions are small-sized apartments (<50 sqm). This trend is more significant in suburban parts of the city, such as Chughureti, Gldani, Nadzaladevi and Samgori, where small apartments (up to 70 sqm) represent almost 50% of the transactions," the report noted.

"The Vake district is an exception, with large apartments (150-250 sqm) comprising the largest percentage of total district transactions, followed then by the Krtsanisi and Mtatsminda districts."

The dip in sales in 2015 was due to the Georgian lari's fluctuating value compared to the dollar, the report said.

DRIVEN BY DEMAND

Demand for apartments is still high, however, according to the director of the property company Erdo Group, Guram Palavandishvili.

"Today, many people desire to buy new flats to replace their old accommodations," he said.

Business Group Valencia's Agladze added that there is a real lack of facilities for large-scale international events and forums. "I would like to note that, in fact, problems occurred in the process of holding the "Silk Road" forum in Tbilisi… it was difficult to place all the guests, since there were not enough accommodations," he said.

"That means that we need buildings for large-scale forums and seven-star hotels for high-class guests and "A" class offices," he explained.

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Georgia's Hydro Boom

OVER THE PAST THREE YEARS, THE GEORGIAN GOVERNMENT HAS ATTRACTED INVESTORS FOR FOUR MAJOR HYDRO POWER PLANTS AND SCORES OF SMALL AND MEDIUM ONES. INVESTOR.GE SPOKE WITH DEPUTY ENERGY MINISTER ILIA ELOSHVILI, INVESTORS AND SECTOR ANALYSTS ABOUT WHAT IS PUSHING THE BOOM.

A QUESTION OF INDEPENDENCE

Georgia is racing to produce more energy to match the country's growing demand. While most attention has been on negotiations with Gazprom to purchase more natural gas, the government is equally focused on producing more electricity, according to Deputy Energy Minister Ilia Eloshvili.

The government's new energy development plan, passed by parliament last year, envisions a country where enough electricity is produced to satisfy the growing demand. Georgians current consume just 2,000 kilowatt hours per capita, a fraction of the consumption in developed countries.

But Eloshvili noted that number is increasing by an average of five percent every year; he estimates the deficit could grow to as high as 1.5 or 2 billion kilowatt hours in a few years if the country does not increase its own production capacity.

"The development of the hydro power plants has two major goals for us, one is economical because … in terms of economic value, they are bringing in income taxes, revenue taxes, property taxes, they are employing people and they are producing a Georgian product, which is electricity, which can be exported and this will improve the trade deficit. So in terms of economy, they are absolutely vital for us," he said.

"But they have another feature, which is energy security. This is the major concern for the government.

The people underestimate the trend of dependence on electricity…people are underestimating the negative affect of dependence on neighboring countries, and it doesn't matter which country."

But Georgia has a natural solution: hydro power. Energy analysts at Galt and Taggart Research say the country has "vast" potential, with just 20-25 percent currently being utilized. "According to our estimates, 4,000 to 4,500 megawatts of installed capacity is economically feasible and can be added to the grid," the research house told Investor.ge in an email interview.

Eloshvili said the government plan includes creating around 500-600 megawatts of thermal power (one megawatt ▸▸

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hour equals 1000 kilowatt hours), 300-400 megawatts of wind power and 3,400 megawatts of hydro power over the next several years.

They are already moving toward those goals: over the past three years, thermal power plants with a capacity to produce 230 megawatts - and 150 megawatt capacity in hydro power plants have been built. "That is a $500 million investment in our economy," Eloshvili said.

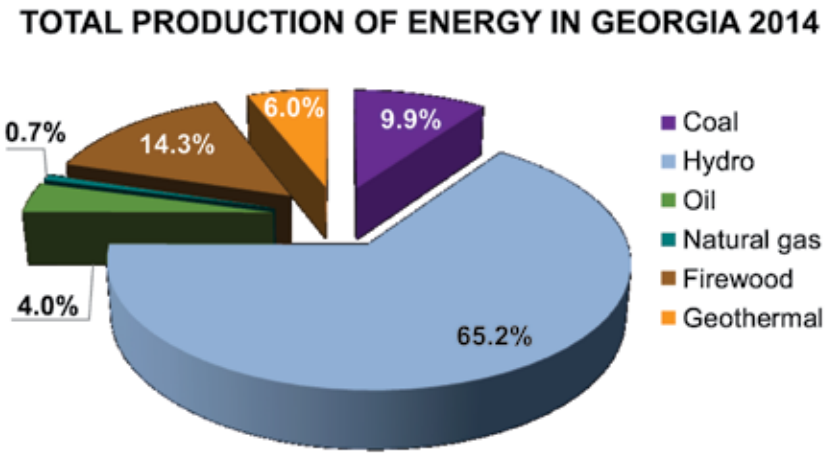
There are also scores of other projects either under study or under construction, he added.

There are four major hydro power plants planned, with the combined capacity to produce 1500 megawatts of electricity: Nenskra, a 800 megawatt hydro plant, is under construction. The construction of the Khudoni, Oni and Namakhvani projects is estimated to start within the next 12 months, Eloshvili said.

There are also many smaller projects, already built, under construction or in the final stages of the pre-feasibility study.

NEW RULES, NEW PROCESS

The government credits new, streamlined requirements for the uptick in hydro projects.



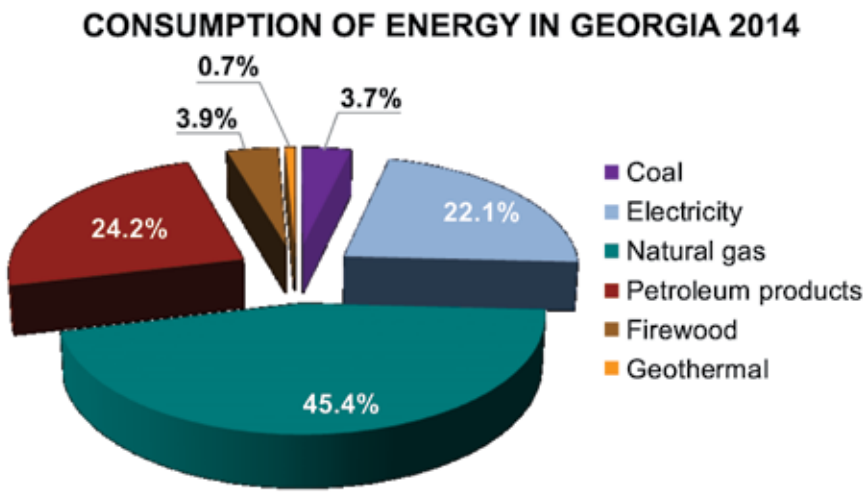
Eloshvili said there have been major changes to the rules and regulations for hydro investment, including a change in how the government treats the guarantees investors have to pay before the project starts. The new system requires fewer guarantees from investors up front, and offers them a more forgiving set of deadlines - as well as a "buffer" before starting to seize the guarantees over delayed deliverables.

In addition, the new rules offer more benefits for developers who propose completely new sites for hydro plants, and allow memorandums to be signed with a minimum of interference from the ministry.

Eloshvili also noted that a system for Power Purchase Agreements (PPA) has been created, so developers know in advance how much the government will pay for the energy produced in peak months - and the government knows how much energy is available to them.

This system, the deputy minister said, gives small and medium hydro power plant developers the security to be able to plan their investment, and sell power to Turkey in the off season.

Galt and Taggart analysts agree that, on the regulation side, there are "few if any barriers, as regulation is liberal and focused on attracting investment."



ENCOURAGING COMPETITION

But some investors argue that more needs to be done to ensure the market is competitive and liberal.

Schulze Global Investments Managing Director in Georgia, Mikheil Nibladze, told Investor.ge that investors need a better, more open market for selling electricity to Turkey during the summer months, when Georgia has enough electricity but the demand is at its peak

for Turkey.

He noted that while the new transmission line to Turkey offers hydro plant owners access to the market, "the line is currently underutilized because there is not enough electricity production in Georgia and Turkey has its constraint set in terms of limiting the ability to take the electricity from the Georgian border in particular months during summer."

While praising the reforms the government has made on lowering guarantees, Nibladze stressed that "more concrete efforts need to be made, especially in terms of the open market and trade with Turkey."

"By this I mean creating a harmonized market-mechanism for selling electricity openly to any buyer, without obstacles in transmission and distribution, through an exchange," Nibladze said.

Radislav Dudolenski echoed his concerns. Dudolenski has been involved in the Georgian energy market since 2006, when he worked for Energy-Pro in Georgia. Now he is developing small hydro power plants with his own company, Hydrolea.

"The rules should be competitive," he said. "The less administration, the less regulation and the more [open the] market is – that will definitely make me feel more comfortable. Of course there are economic cycles, prices go up, prices go down…but that is just business."

Hydro power plant owners need a more liberal market, where there is room for competition, he said, noting that will make the sector self-regulating and more attractive for investors.

The energy ministry's Eloshvili noted that the reforms have liberalized the Georgian market, and made it more competitive.

He noted that if an investor is not interested in access to the transmission line or a PPA, they can build a plant and start selling energy without even informing the ministry.

"If those developers will do the research, look into our rules, they will understand they already are number one. There are absolutely no restrictions," he said. "How can we be afraid of competition when we ourselves introduced the competition?"

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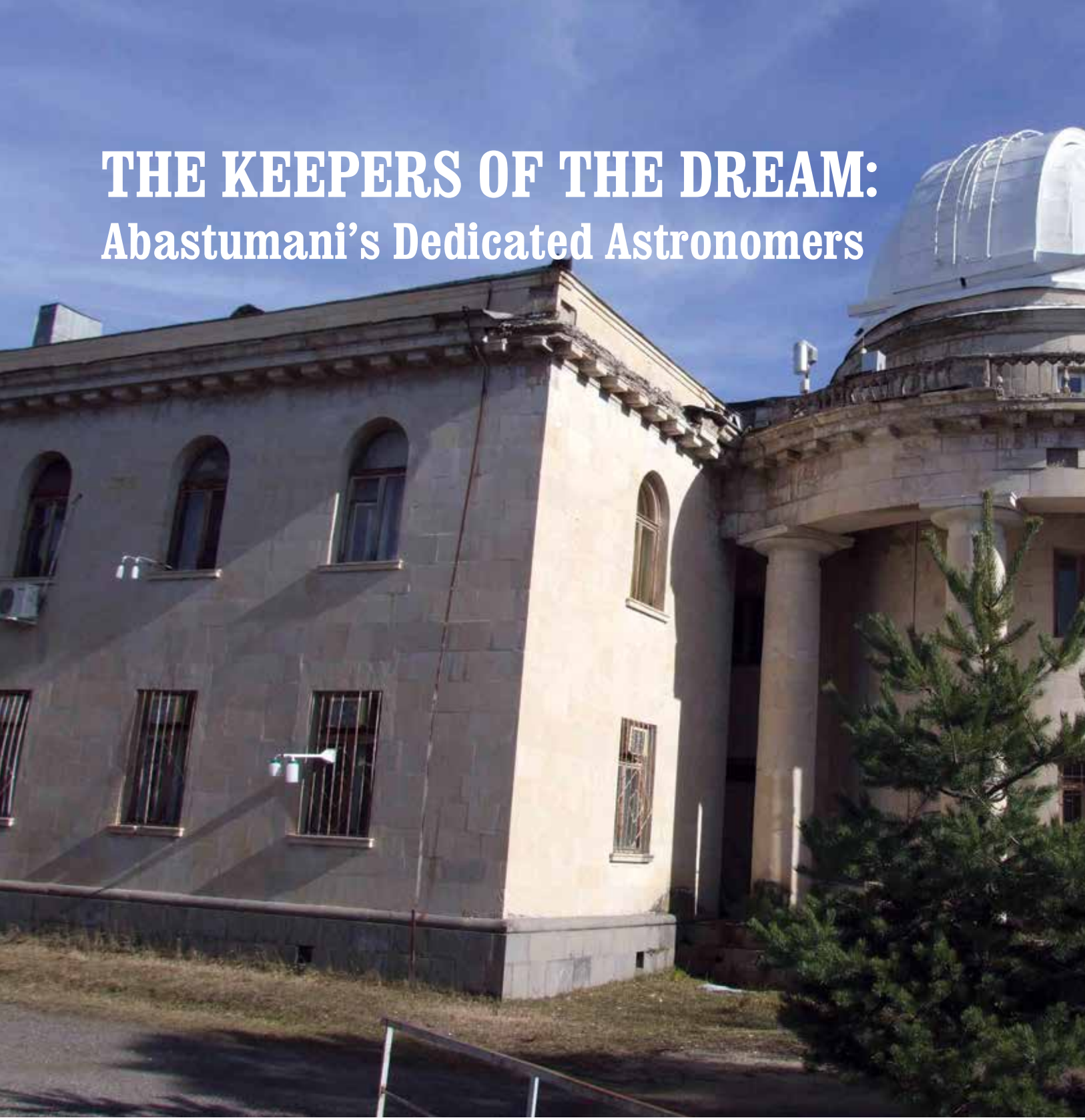
THE KEEPERS OF THE DREAM:
Abastumani's Dedicated Astronomers



THE OLDEST ASTRONOMICAL OBSERVATORY IN THE SOUTH CAUCASUS IS HIDDEN ON THE TOP OF A MOUNTAIN ABOVE THE SPA CITY OF ABASTUMANI. THE OBSERVATORY'S GLORIOUS HISTORIC TRADITION HAS BEEN KEPT ALIVE THANKS TO THE ENGAGEMENT AND ENTHUSIASM OF THE OLD GUARD OF SCIENTISTS.

TATJANA MONTIK

Abastumani's fame for astronomy goes back to the times of the Russian Empire. The brother of the last Tsar, Great Duke Georgi, suffered from tuberculosis and frequently traveled to Abastumani for treatment. In the early 20th century, Georgi's astronomer, Sergey Glazenap, discovered that the climate in Abastumani–with its still and clear air –was particularly favorable for astronomical observations.

The Russian Revolution interrupted the Tsar's plans to build an observatory there, however, and the first Georgian observatory was not built until 1932. In addition to the observatory, perched above Abastumani on Kanobili Mountain, an entire village was built for the scientists working there.

AN ISOLATED VILLAGE DESIGNED FOR RESEARCH

Astronomy professor Giorgi Javakhishvili, a former observatory director, spent 27 years living permanently in this science village, known as "the Mountain." He says the observatory's remote location made it ideal for research: "Especially in winter, you see hardly any people, and you go to work, come back, and you can be only on your own. All you can do is think about your work, only about the most serious and important things."

I travel to Abastumani in the company of an engineer, Alexander Avsajanishvili, who used to work at the observatory in the 1980s. Avsajanishvili worked on a team studying the middle layers of our atmosphere.

"We were performing amazing work that was real science! My boss, who was also my friend, Yuri Matyshvili, was a very educated man. He challenged us with a lot of interesting tasks," he says.

"We studied the layers of the atmosphere between 40 and 120 km, which are too high for airplanes and too low for satellites. And we came across exciting discoveries."

Unfortunately, much of the team's work remained unfinished due to the collapse of the Soviet Union, Avsajanishvili tells me.

FROM FAIRYTALE TO HARDSHIP

We arrive at nighttime during a full moon, and the village makes a fairytale impression. The freshly renovated domes of the Stalinist observatory towers glow magically in the moonlight. One of the scientists, Givi ▸▸

Kimeridze, lets us look at the surface of the Moon with a telescope with the power to magnify 250 times. The craters and the mountains of the Moon seem to lie on our palm.

Avsajanishvili and his wife, also an astronomer, still have an apartment in the science village. However, today it is not easy to live on the premises. At Avsajanishvili's apartment, located in an impressive Stalinist building, we must first collect firewood so we can heat a small stove.

"In Soviet times, our living conditions were more comfortable than in the surrounding villages. But the Soviet Union collapsed, and together with it, the central heating and the warm water supply broke down," he recalls.

The years following the fall of the Soviet Union were difficult for most Georgians.

Many struggled just to survive – including Abastumani's scientists.

Eduard Janiashvili, an astronomer at the observatory, recalls they had to supply themselves with firewood to replace the central heating, carrying it on their backs due to the lack of gasoline. They even exchanged their clothes for food in the nearby villages.

But despite the many difficulties, their scientific research continued, he says. "As the science of astronomy develops very quickly, you need to make your observations every day," he explains. "We kept working, hoping for the better times to come. Now our hopes are tied to our students; many of them could become great scholars, but we all need better financing and new equipment."

GEORGIA'S SPACE AMBITIONS

At the observatory museum, Janiashvili explains the glorious history of this science village, showing me many historic pictures and old telescopes, and telling stories about the major discoveries of his colleagues.

It was the academic Ilia Kiladze who first measured the thickness of the rings around Saturn. It was also Kiladze who predicted the existence of Pluto's moon Charon.

Many of the discoveries were made with the aid of the so-called 40cm refractor. One of the big publishing successes was the "Polymetric Atlas of the Moon." With this atlas one can easily study the geological structure of the Moon.

Another great scientist, Mikheil Vashakidze, whose name was given to a crater on the Moon, first observed the polarization of the Crab nebula from this observatory.

Nowadays, says Janiashvili, astronomy has become a science of privileged rich people. Many of his colleagues, especially those specialized in astrophysics, received lucrative offers from foreign science centers and left the country.

Enthusiasts like Janiashvili and Kimeridze, as well as some of their colleagues, are still dedicating their lives to this observatory, however.

For them, working in astronomy now means not only observing the night sky but also repairing their telescopes and machines themselves, and even buying new computers with their own money in order to keep up with technological progress.

The Abastumani astronomers still dream, however, that Georgia can become a "space power" in the Caucasus. "There are several small space powers in the world," notes Javakhishvili.

"In order to become a space power, you don't necessarily need to release your own rockets; you only need to have an access to the rockets in order to launch your own satellites to optimize your scientific observations," he explained.

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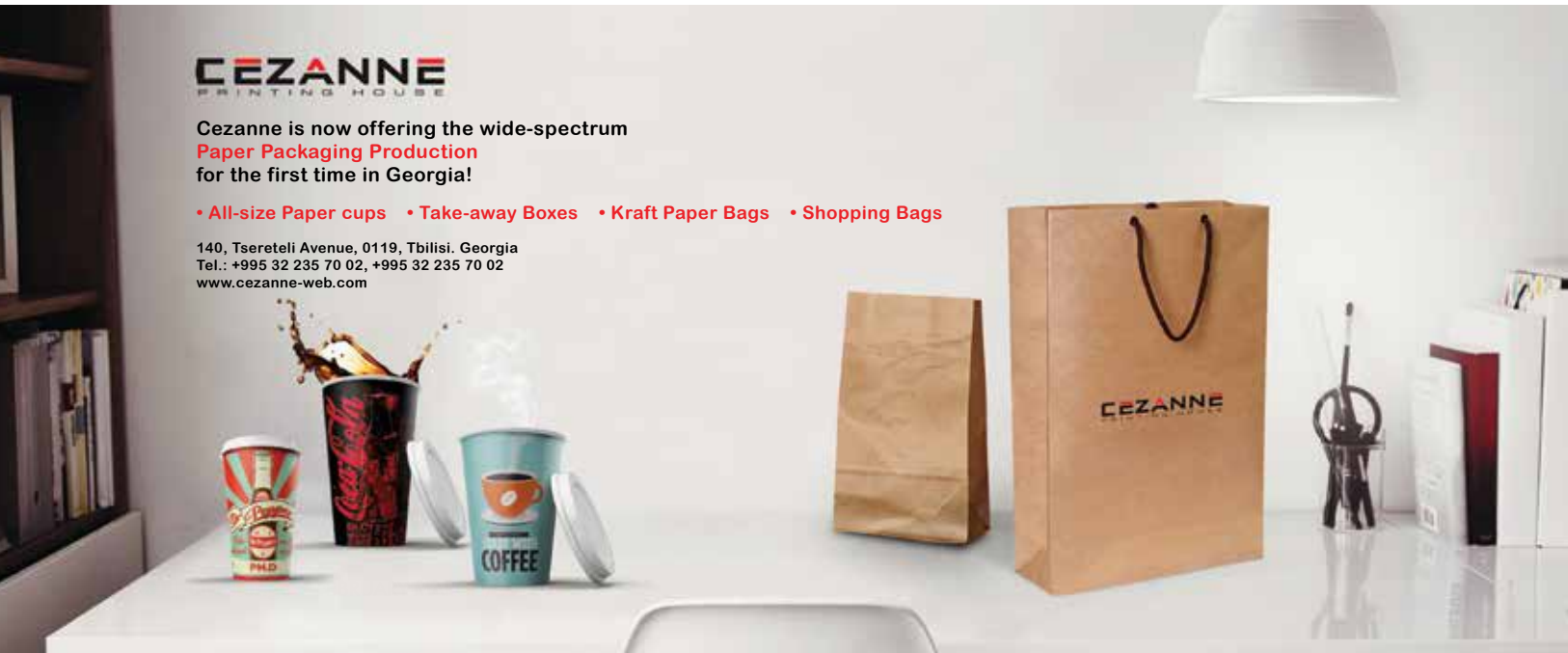


Comfort Food:

An Introduction

AMY BINDER, CO-OWNER OF RONNY'S PIZZA, LAYS OUT A NEW KIND OF DINNER PARTY TO ENJOY IN 2016.

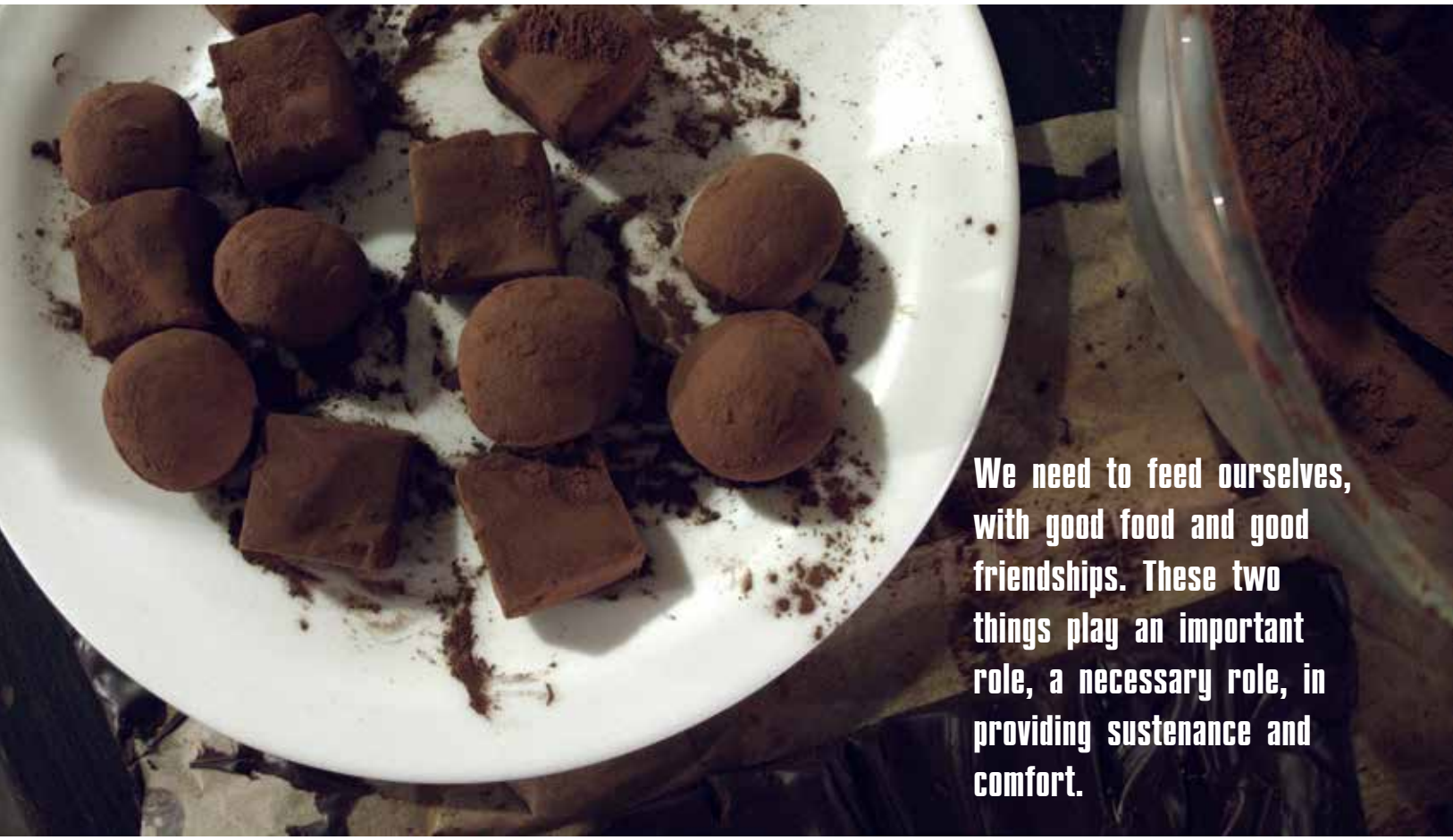
AMY BINDER

"Grief can take care of itself, but to get the full value of a joy you must have somebody to divide it with." So said Mark Twain. Although I take issue with the independence of grief, I wholeheartedly agree that joy (and love! and life!) increase exponentially when shared with others.

Now, as the new year in Tbilisi really gets rolling, it's time to consider resolutions for health and happiness. Living and working internationally has great advantages and joys, but also stresses and frustrations that can affect our well-being. We need to feed ourselves, with good food and good friendships. These two things play an important role, a necessary role, in providing sustenance and comfort.

We've recovered from the indulgences of the holidays. We've settled back into work routines. We've come to terms with the cold, damp and dreary days that are winter. But lest we despair, another holiday comes onto the horizon – Valentine's Day. Granted, this one can be a double-edged sword, but this year we will face it differently. Think of rose gardens. Think of the magic that transforms cocoa beans into chocolates. Think of new ways to love the people you love.

This year I propose a new kind of dinner party. A dinner party



We need to feed ourselves, with good food and good friendships. These two things play an important role, a necessary role, in providing sustenance and comfort.

that isn't just for holidays. A dinner party that can happen at the drop of the hat.A dinner party that is more dinner, less party, and immensely satisfying. Invite friends into your kitchen. Cook dinner together. Eat dinner together. Simple. It does not require gourmet ingredients, extensive cooking experience or chef's whites.

Cooking and eating familiar comfort food with family or friends is a way to stay a part of your "home" culture. Cooking and eating new foods is a way to explore other cultures and culinary traditions. No matter what you create in your kitchen, it is a great place to connect with other people. It's unpretentious. It's honest. It's a perfect time to celebrate the good things and the simple things of life, like, for example, spaghetti and meatballs... and chocolate.

We've recovered from the indulgences of the holidays. We've settled back into work routines. We've come to terms with the cold, damp and dreary days that are winter. But lest we despair, another holiday comes onto the horizon – Valentine's Day.

Here are recipes and a plan for four. Call it Italian, or call it American, or save that debate for after a glass of wine. Cooking dinner will take about an hour and fifteen minutes from start to table, and half the fun is the discoveries you make along the way, discoveries about yourself, your friends, your food. So put on Pavarotti or Paolo Conte or sing a few rounds of "On Top of Spaghetti." Together find that *joie de vivre* ("love of life" to an American, or *"gioia di vivere"* to an Italian) that makes food more than food, that makes food an expression of love and a kind of edible joy!

Amy Binder is one of the founders and owners of Ronny's. She makes management decisions, financial decisions, and dinner at 7 for her husband and teenage sons. Sometimes she still makes pizza.

Menu and Cooking Notes

MEATBALLS (COOK #1)

with Butter Tomato Sauce served on top of Spaghetti (Cook #2)

Leafy, Herby Green Salad and Garlic Toast (Cook #3)

followed by Chocolate Truffles (Cook #4)

Since these recipes will feed 8, feel free to enlist more helping hands.

MEATBALLS

Step 1. Mix together in a large bowl:

- 2 lbs or 1 kilo ground beef or mixed beef & pork
- 2 eggs
- a spoon or two of chopped parsley
- 1 clove garlic, minced or pressed through a garlic press
- 1 to 2 cups bread crumbs (more crumbs make a softer meatball)
- 1 to 2 cups water (the same volume as the crumbs you add)
- salt and pepper

If you use 2 cups of bread crumbs and water the mixture will be quite moist. Don't worry. It will hold together. Shape into 2 or 3 inch balls. (Hint: The larger the meatballs, the fewer you have to make.)

Step 2. Heat some olive oil in a large pan and fry the meatballs until crisp on the bottom. Turn and cook at least one other side. If they aren't cooked all the way through at this stage, that's ok.

Step 3. Add the meatballs to the simmering tomato sauce.

BUTTER TOMATO SAUCE

Step 1. Combine in a large saucepan:

- 2 - 850 ml cans of tomatoes with their juice (chop or mash up the tomatoes if they are whole)
- 10 Tablespoons or 140 grams of butter
- 2 onions, peeled and cut in half
- salt

Step 2. Simmer for 45 minutes. (While you are waiting, put a big pot of water on the stove for the spaghetti and grate some Parmesan cheese.)

Step 3. Remove the onions and add the meatballs. Simmer 15 minutes.

Leafy, Herby Green Salad and Garlic Toast

You are pretty much on your own here.

For the salad just buy the best looking greens available. Wash and toss. Serve with olive oil and a good quality balsamic vinegar.

For the garlic toast, spread bread of your choice with a mixture of butter and freshly minced/pressed garlic. Toast on the top rack of the oven for about 15 minutes.

CHOCOLATE TRUFFLES

Step 1. Place a sheet of parchment paper on a baking sheet. Then put the following in a microwave proof bowl:

- 300 grams dark chocolate, chopped
- ½ cup or 120 ml heavy cream
- 1 small spoon orange zest (You can omit this, or be creative and add other things like cinnamon powder or coconut.)
- a pinch of salt

Step 2. Heat in a microwave in 20 second increments, stirring frequently, until the chocolate mixture is melted and smooth.

Step 3. Pour onto the parchment paper and place in the refrigerator to cool until after dinner. (Now you can help set the table for dinner and pour everyone another drink.)

Step 4. Cut the cooled chocolate into squares or roll into balls and toss them in a bowl with cocoa powder or finely chopped nuts to coat them.

Recipes inspired by and adapted from Food52.com.

BP Georgia's Paralympic Champions

Swimmer Nika Tvauri

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"WE ARE INSPIRED BY THE ACHIEVEMENTS OF OUR PARALYMPIC ATHLETE AMBASSADORS AND SHARING IT WITH OUR PARTNERS IN THE GEORGIAN NATIONAL PARALYMPIC COMMITTEE AND GEORGIAN PEOPLE. WE CONTINUE SUPPORTING ATHLETES' DEVELOPMENT ON THEIR WAY TO RIO 2016, SETTING THEM WELL FOR HIGH PERFORMANCE IN THE WORLD ARENA.

ANTICIPATION IS BUILDING WITH THE GAMES NOW JUST MONTHS AWAY, AND WE LOOK FORWARD TO FOLLOWING THE PURSUIT OF EACH REMARKABLE ATHLETE ON THE WAY TO THE MEDALS STAND," SAID CHRIS SCHLUETER, BP'S COUNTRY GENERAL MANAGER.

WORLD-CLASS ATHLETES

BP in Georgia is sponsoring three Paralympic athletes – BP's athlete ambassadors –blind judo champion Zviad Gogochuri; swimmer NikaTvauri; and wheelchair fencer Irma Khetsuriani.

"I have realistic chances to win the gold medal [in Rio] for my homeland and go down in history as the first Georgian Paralympic champion. I will not spare myself to make this a reality, and I hope there will be no bumps in my road toward this goal," Georgian Judoka ZviadGogochuri said.

Nika Tvauri's bronze medal in the 50m at the 2011 IBSA World Championship and Games in Antalya, Turkey was the first international swimming medal won by any Georgian para-athlete since the country achieved independence in 1991.

Last year, Tvauri brought home another bronze medal for Georgia from IBSA World Championship and Games in Seoul.

Irma Khetsuriani is Georgia's first female wheelchair fencer. In this sport, where most competitors specialize in one of the three types of fencing weapons – sabre, foil and épée – Khetsuriani

Irma Khetsuriani

Zviad Gogochuri

competes in all three categories.

Khetsuriani's athletic career includes a fifth place in the senior women's sabre category at the 2014 Wheelchair Fencing World Cup in Germany and a bronze medal in the 2014 Montreal Grand Prix in the women's foil classification.

In September 2015, Irma won silver at the Wheelchair Fencing World Championships in Eger, Hungary.

"At first I was surprised, even shocked, by the suggestion I could do wheelchair fencing. But then I realized how exciting that was," Khetsuriani said.

A FOCUS ON DEVELOPMENT

Through this partnership, BP has put a special focus on supporting Paralympic athlete development. BP provides resources to support athletes during training and competition, ensuring they have the necessary coaching, equipment and travel capabilities.

"The Judo National Federation and the Georgian Paralympic Committee go to great lengths to enable me to focus solely on judo and my future success," Gogochuri said.

"In addition, I would like to take this opportunity to extend great thanks to BP for all the attention I get at every training and competition, for their assistance in attending training camps and for their all-around support. Together with two other Georgian para-athletes, I am under BP's direct patronage and the three of us will all act as BP's athlete ambassadors at the Paralympic Games in Rio."

"The history of partnership between BP and the National Paralympic Committee counts several years. Strong relationships between our organizations are extremely important for the Committee and for me personally. A number of competitions have been funded through the partnership with BP, which have highly contributed toward the development of parasports and have served the overall goal of the Paralympic movement – achieving top results in sports. Of the three athlete ambassadors, Zviad has already secured his qualification, while Nika and Irma are realistic candidates for participation in the Games in Rio," said Giorgi Chakvetadze, President of the Georgian National Paralympic Committee.

In partnership with the National Paralympic Committee and athlete ambassadors, BP is supporting a campaign aimed at raising Paralympic awareness and inspiring local communities.This is part of BP's extended support for the Paralympic Movement by becoming an official partner of the Agitos Foundation's Grant Support Programme (GSP), which provides financial support to IPC members to develop para-sports around the world. By becoming the IPC's first international partner to support its development arm, BP has funded its para-sport project in Georgia.

AMCHAM

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Memorandum of Cooperation in Energy Industry

Significant developments in Energy Industry have come into sight at the end of the previous year. On 23 December 2015, the Memorandum of Cooperation in Energy Industry was signed between Armenia, Iran, Georgia and Russia. Contracting parties agreed to work on development of power transmission systems to foster electricity trading between the above countries.

According to the Ministry of Energy and Natural Resources of Armenia, a 400/500 kilovolt (kV) power transmission line between Armenia and Georgia will be set into operation form 2018. As a result, electricity exchange capacity between Armenia and Georgia will reach 350 megawatts (MW), with a further estimated increase to 700 MW by 2021.

The Memorandum is expected to create favorable setting for development of regional infrastructure and foster energy cooperation amongst the contracting parties.

New Amendments in Property Law

New amendments to the Civil Code of Georgia and Law of Georgia on Enforcement Proceedings have caused extensive criticism among financial institutions and business society. According to the new regulations, the police is no longer entitled to carry out eviction from immovable property in case of illegal occupation. By contrast, before the amendment, art. 172(3) of the Civil Code of Georgia enabled the owner of an immovable property to apply to the police and request eviction of a party who unlawfully occupied the property in question. Most notably, the procedure was simple and straightforward as there was no need for obtaining a separate court resolution to effect such eviction.

Another possibility for rightful owners was designated under the Law of Georgia on Enforcement Proceedings, where National Bureau of Enforcement could perform the eviction if the owner was a purchaser at public auction.

With the new amendments, neither of those options remain at the owner's disposal and the owners seeking to retrieve the possession on immovable property shall first obtain the respective court decision and then pursue the enforcement procedures.

Opponents of the new amendments argue that new regulations will inevitably cause problems in practice, rise of prices on mortgage market, adding cases to already overburdened city courts, just to name a few.

New Practice of the Supreme Court of Georgia

New decision of the Supreme Court of Georgia overturned the previously established practice of common courts regarding lost profit and so called, statutory penalty for breach of bilateral contract.

According to the previous practice, if the debtor was in default, the creditor could be awarded not only with specific performance and damages, but damages would also include the future expected losses, amount of which would normally be equal to what creditor could have gained had it put the money on deposit in a commercial bank or other financial institution. Therefore, courts would usually award the lost profit based on market rate applied by commercial banks for the short-term deposits.

In the case №as-459-438-2015 the Supreme Court of Georgia however slightly deviated from the above practice. The court declined the claim for future expected losses and stated that simple theoretical possibility of gaining benefits from putting money on a deposit does not suffice for satisfying the claim for lost profit. According to the court, the claimant must also demonstrate that it would in fact put the disputed amount on a deposit with a bank or financial institution and thus inevitably receive the interest, had the debtor not breached the contractual obligation.

It is yet to be seen whether this new reasoning will be supported and upheld by further practice of the Supreme Court of Georgia.

Upcoming Amendments in the Field of National Registries

The Minister of Justice presented to the Georgian Government a new bill that aims at establishing clear and unambiguous regulations for the state registries. Respective changes are planned to be made to the laws of relevant state agencies in charge of keeping state registry. The bill is mainly designed to replace outdated regulations relevant for state registries and improve the operation of respective state agencies in charge.

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AMCHAM MEMBERS DISCUSS POLITICS, REGIONAL EVENTS WITH US, UK AMBASSADORS

Ian C. Kelly, Ambassador of the United States of America, opened the January 20 AmCham roundtable meeting at Radisson Blu Iveria Hotel with a political and economic review. This included a discussion of recent changes in Georgia's political environment and what they might mean for political and economic reform, as well as issues relating the region, including developments in Iran, Turkey and Russia.

Ambassador Kelly was followed by Alexandra Hall Hall, Ambassador of the United Kingdom to Georgia. The ambassador introduced the UK's Good Governance Fund, which is being used to support a range of public policy reform projects, including the Investor Council.

Both presentations were followed by a dynamic Q&A between AmCham members and the ambassadors.

US EMBASSY DEPUTY, AMCHAM MEMBERS DISCUSS EU VISA LIBERALIZATION

Nicholas Berliner, Deputy Chief of Mission from Embassy of the United States in Georgia, opened the December 16 AmCham monthly roundtable meeting at Marriott Tbilisi Hotel with a political and economic environment review. He outlined important issues concerning Georgia's approximation to European institutions and its visa liberalization process. The Deputy Chief of Mission also spoke about importance of parliamentary elections of 2016, developments in the sectors of trade and transportation, and the new Silk Road. Mr. Berliner congratulated AmCham on an exceptional year and welcomed newly joined members.

Mr. Berliner was followed by George Welton and an anonymous survey that was distributed among AmCham members for the purpose of gathering suggestions from company representatives on future AmCham activities.

The meeting was followed by an engaging Q&A session.

AMCHAM CLT COMMITTEE ACTIVE IN GOVERNMENT INVESTOR COUNCIL

On December 15th, AmCham CLT Committee members discussed AmCham's contribution to the recently established Investor Council. The Chamber is working on several projects with the Investor Council, including drafting AmCham's position on necessary reforms of the tax audit system in the Revenue Service, and negotiating with the government on uploading the drafts of business-related legislation online several weeks before they go to Parliament. Preliminary injunctions, land registration for foreigners, and competition law were also discussed at the CLT Committee meeting.

CSR COMMITTEE HOSTS SCHOLARSHIP FUND

The AmCham CSR Committee discussed its action plan and created working groups at its November 20 meeting. Committee members hosted a guest speaker from the Regional Development Society Scholarship Fund, Natia Bukia. The goal of the fund is to create a private scholarship that will aim to finance the education of students in Georgia.

AMCHAM AGRIBUSINESS COMMITTEE DISCUSSES PROMOTING PRODUCTS ABROAD

AmCham Agribusiness Committee members discussed local sourcing of agricultural products, government programs for supporting farmers, HACCP standards, Georgian wine promotion strategy in foreign markets and other issues at its December 3 meeting.

Members also proposed issues that the Committee should focus on in 2016, including legislative issues for trade promotion and effective coordination of large agribusiness producers, consumers and markets.

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Hotel Crowne Plaza Borjomi opened its doors on December 23 2015

The hotel is situated in the heart of Borjomi on Baratashvili Street near Borjomi Historical Park and its hotel is perfectly positioned to welcome both leisure and corporate travellers.

Part of the IHG global portfolio, the Crowne Plaza Hotels & Resorts brand is a dynamic upscale hotel brand located in nearly 65 countries around the world in major urban centres, gateway cities and resort destinations. As the fourth largest upscale full-service hotel brand in the world and one of the fastest growing, the Crowne Plaza brand has a solid foundation for future growth. Its portfolio has doubled since 2003 to nearly 400 hotels, and the global pipeline has increased fourfold to almost 100 hotels. At Crowne Plaza Hotels, we help guests feel energized and productive, and our Sleep Advantage program ensures guests get a great night's sleep to power through their day.

The hotel features 101 well-appointed guest rooms and suites with an extensive city or greenery view. Complimentary Wi-Fi and a collection of specialty pillows are on offer. 16 Club rooms and Suites offer personalized service and additional privacy for the needs of today's busy executives.

Modern guest rooms, with many having unique layouts and different size, terrace café, two restaurants, a bar and Wine bar, Club Lounge and the gym are nicely combined with the exclusive Wellness & Spa Centre (2.400 m2) offering leisure facilities like: swimming pool, steam rooms, saunas and different relaxing areas as well as an array of health treatments to satisfy the most discerning tastes and tailored to suit individual needs.

For the youngest guests, hotel has two floor playroom and dedicated kids' menu.

Crowne Plaza Borjomi offers 500 m2 meeting space with the flexibility of choosing from 4 rooms, two of them dividable, the facilities can accommodate up to 500 guests. It is an ideal place with facilities unique to Borjomi for conferences, corporate gatherings, social and private events.

The team of experts with its round the clock personalized services will meet and exceed expectations of the customer and make each occasion a memorable one.

Crowne Plaza Meeting Promise:

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For more information visit http://www.ihg.com/hotels/us/en/business-rewards/home

Introducing: A Renovated River Side Tbilisi Hotel

The renovation process has been conducted according to River Side's internal policy and international standards. From now on, River Side meets the four EU standards including applicable safety and security regulations. Moreover, we have successfully implemented HACCP standards for food safety control.

From now on guests can stay at fully refreshed classic rooms and suites with premium handcrafted wood furniture and rich textiles, or try our beautiful Tiffany rooms for unforgettable moments!

Let us remind you that the Hotel River Side Hotel is located in historical, commercial and architectural center of Tbilisi.

Within walking distance of the city's business district, major attractions and retail hub, making the hotel an ideal base from which to explore the city or conduct business. You will feel at home, and at the same time will enjoy the luxurious hotel comfort.

At our Tiffany Bar Tbilisi you will try the most delicious food and drinks from the most distinguished cuisines of Georgia. We offer unique "gourmet" services to the guests. Special events such as a wedding ceremony or a birthday party are even more memorable in the world of Tiffany and River Side.

NEW MEMBERS

American Medical Centers, Georgia
Corp A

American Medical Centers is a regional health services provider that owns and manages ambulatory care and outpatient care facilities in Eastern Europe and Eurasia.

AMC employs more than 150 professionals and medical healthcare associates, providing direct patient care, emergency assistance and access to all medical specialties, from Cardiology to Neurosurgery. American Medical Centers enjoys affiliations with leading hospitals around the world, including Yale - New Heaven Hospital, and New York Presbyterian Hospital, where AMC is designated as an affiliate hospital. All American Medical Centers and partner facilities are recognized by the worlds leading healthcare institutions and are fully licensed hospitals and clinics.

American Medical Centers is dedicated to providing the highest standard of health available using the latest diagnostic and therapeutic protocols from the United States and European Union. The company is committed to providing evidence-based medicine, practiced by the best-trained clinicians available, in a clean, safe facility, where quality-assurance is paramount.

www.amcenters.com

IG Development Georgia Ltd.
Corp A

IG Development Georgia Ltd. was founded in 2010 and since then is of the most successful companies in Georgia. The company is engaged in investing in the field of real estate as well as design/construction/development and subsequent management of shopping centers. Currently the company owns the shopping center "IG Mall Saburtalo", successfully operating since 2011, with 17 thousand square meter total area, including 90 markets and having 11,000 visitors daily. The company is building a new shopping center "IG Mall Gldani", with 33.6 thousand square meter area, scheduled to be finished by March 2016.

igdevelopment.ge

West Invest Ltd.
Corp A

West Invest Ltd. is the largest distribution company of frozen products in Georgia. Company has several own brands: Bibilo, Mamalo, West Fish, West Pork and also is exclusive distributor of foreign brands Divnoe, Qualiko and Ukrainian Chicken. It is exclusive partner in Georgian of Simmons Farms (US) and Mironovski Hleboproduct (Ukraine).

www.west-invest.ge

Mercure Tbilisi Old Town
Corp B

At Mercure hotels, guests find an atmosphere, which makes every stay a unique experience. It is run by the teams of enthusiastic professionals. Mercure Tbilisi Old Town is infused with local spirit in harmony with people and unique surroundings. The hotel is uncompromisingly committed to offering both high quality and genuinely enjoyable hotel experiences here in Georgia.

www.mercure.com

NEW MEMBERS

Mgaloblishvili Kipiani Dzidziguri (MKD)
Corp B

Mgaloblishvili Kipiani Dzidziguri (MKD) is a full service law firm. With local, national and international clients, MKD acts as legal counsel to corporations, legal entities, and individuals alike, handling nearly all key aspects of Georgian law. The firm also provides legal advice and support to international clients in their investment and project activities in the region.

mkd.ge

Terrace Hotel and Restaurant
Corp B

Exquisite desin and timeless elegance of 26-room The terrace BoutiqueHotel is housed in the heart of Tbilisi's historical center. Providing a unique blend of personalized attention and essential elements for unforgetable city break, the Terrace Hotel's team is committed to providing an exceptional experience to each and every guest.

www.theterracetbilisi.com

NCC Ltd.
Corp B

NCC is a construction company delivering high quality products in 3 main directions: construction, engineering and building materials production. Management of the company consists of professionals having management experience in urban infrastructure development, residential construction and communication infrastructure. Quality management has a high priority at NCC: technical department supervises the ongoing works and responds quickly to any mismatches of the project design or requested quality. Concrete quality is checked by independent chemical laboratory on permanent bases. There is a responsible person for safety in NCC who is developing safety instructions for all kind of works and is arranging permanent training sessions for personal. With sufficient construction equipment and machinery, own concrete and inert materials factory, offices and warehouses, the company has all the necessary means to carry out its duties successfully. All of these factors make NCC successful Company with a growing number of projects and revenues.

ensisi.ge

Sakcable JSC
Corp B

JSC Sakcable ("Sakcable") is the leading manufacturer of cable products in the Republic of Georgia. The Company was established in 1958 to advance the country's industrialization ambitions through the manufacture and distribution of copper and aluminum cable products. Recognizing the historic heritage and future potential of cable manufacturing in the Republic of Georgia, in 2006 the Company was acquired by an experienced management team. With an ambitious capital expenditure program, the shareholders re-equipped the factory with modern equipment and operational procedures. Sakcable has since emerged as the leading producer and distributor of internationally certified copper and aluminum energy cables in Georgia and one of the top producers in the South Caucasus region.

www.sakcable.ge

TBC Leasing JSC
Corp B

JSC TBC Leasing was established in 2003. The list of TBCL clients vary from medical, printing, transportation companies, food and processing industry, to service industry and trade, as well as some agricultural companies all across Georgia. Prompt and flexible service makes TBCL products attractive for both newly established yet developing and accomplished large companies. The company constantly strives to develop partnership with different local vendors and thus offer clients flexible new products tailored to their needs.

www.tbcleasing.ge

Garulay, Adrian, Mr.
Visiting
SpecOps Group Inc.

Members Appreciation Party at Holiday Inn

ON DECEMBER 10TH, AMCHAM GEORGIA HOSTED A MEMBERS APPRECIATION RECEPTION AND NETWORKING EVENT AT THE HOLIDAY INN LOUNGE. IT'S BEEN AN EXCEPTIONAL YEAR FOR AMCHAM, WITH MORE EVENTS, MORE INITIATIVES ON POLICY ISSUES, AND MORE NEW MEMBERS THAN EVER BEFORE.

GUESTS ENJOYED COCKTAILS, MULLED AND GEORGIAN WINE ALONG WITH A DELICIOUS TURKEY BUFFET FOR THOSE WHO DIDN'T GET A CHANCE TO CELEBRATE THANKSGIVING PROPERLY. AMCHAM VICE-PRESIDENT MICHAEL COWGILL GREETED THE GUESTS AND BRIEFLY HIGHLIGHTED THE ACHIEVEMENTS AND CHALLENGES OF THE PAST YEAR. MEMBERS USED THE OPPORTUNITY TO RECONNECT WITH FRIENDS, COLLEAGUES AND FELLOW REPRESENTATIVES OF MEMBER COMPANIES.

American Friends of Georgia Annual Charity Gala

OVER $110,000 WAS COLLECTED DURING THE CHARITY GALA EVENT HELD IN TBILISI BY AMERICAN FRIENDS OF GEORGIA (AFG) ON DECEMBER 12 AT THE RADISSON BLU IVERIA HOTEL. THE DZEGVI SHELTER AND MERCY CENTER HOSPICE ARE TO BE THE BENEFICIARIES OF THE CHARITY CAMPAIGN. DESPITE CERTAIN ECONOMIC DIFFICULTIES THE ACTIVITY OF GEORGIAN BUSINESSES HAS BEEN UNPRECEDENTEDLY HIGH THIS YEAR.

THE DZEGVI SHELTER COMMUNITY NEAR TBILISI STARTED AS AN ORPHANAGE FOR STREET CHILDREN IN 1995. IT WAS AFG'S BIG SUCCESS STORY WITH 120 FORMER STREET CHILDREN GROWING UP TO FULL PRODUCTIVE LIVES. SINCE 2010, IT HAS BECOME A SHELTER FOR PEOPLE WHO CANNOT LIVE INDEPENDENTLY OR HAVE NOWHERE TO GO SUCH AS MENTALLY ILL, DISABLED, FORMER STREET CHILDREN, POOR ELDERLY OR ABANDONED SINGLE MOTHERS WITH YOUNG CHILDREN.

THE MERCY CENTER HOSPICE, NURSING SCHOOL AND HOME CARE PROGRAM WAS STARTED BY ABBESS MARIAM IN 2003 WITH AFG'S ASSISTANCE. THIS IS THE FIRST HOSPICE IN GEORGIA WITH THE HOSPICE NURSING SCHOOL AND HOME CARE SERVICE. THE 7 IN-PATIENTS ARE CARED FOR IN A SMALL HOSPICE NEXT TO THE TRANSFIGURATION CONVENT. NURSING GRADUATES CARE FOR OVER 100 TERMINALLY ILL ELDERLY IN THEIR HOMES.

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